



STATE OF ARKANSAS

Office of the Attorney General

Winston Bryant
Attorney General

Telephone:
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Opinion No. 94-159

July 11, 1994

The Honorable James C. Allen
State Representative
2605 Malvern Road
Hot Springs, AR 71901-7139

Dear Representative Allen:

This is in response to your request for an opinion on the following questions:

1. Can a 501(c)(3) corporation return contributions to a donor?
2. If so, is there a certain procedure to be followed?

In response to your first question, my research has disclosed no provision in state law prohibiting a return of such contributions. While the return may trigger tax consequences for the donor, I have found no general state law prohibition in this regard.

With regard to any potential consequences for the corporation under the federal Internal Revenue Code, I suggest that any questions of that nature be referred to tax counsel. This office cannot provide advice on tax matters, nor is interpretation of the tax Code generally within the scope of an Attorney General opinion. It may well be that no tax consequences will result for the corporation. This is simply not a matter within the usual scope of an opinion.

In response to your second question, there appears to be no established procedure under state law for returning contributions to a donor.

The foregoing opinion, which I hereby approve, was prepared by Assistant Attorney General Elisabeth A. Walker.

Sincerely,

A handwritten signature in black ink, appearing to read "Winston Bryant", written in a cursive style.

WINSTON BRYANT
Attorney General

WB:EAW/cyh